

## **GUIDE TO PREPARING CERTIFIED PAYROLLS** **AND** **OTHER RELATED ISSUES**

The second allocation of DOE Weatherization funds are being disbursed and the second year of this program is being implemented, the Davis Bacon Unit is providing information on how to prepare certified payrolls and providing clarification on other related payroll issues, that appear to be commonly misunderstood.

### **1. Completing Certified Payroll Form (WH-347) or equivalent payroll form**

- Check the box noting the category such as Contractor (i.e. Service Provider Name) or Sub-Contractor (i.e. Air Containing Co.)
- Enter complete address of the Contractor or the Sub-Contractor, as applicable.
- Each Payroll must be numbered sequentially.
- Day and date of the week ending/work week.
- Project and Location – DOE ARRA Weatherization – County or Agency Name
- Project or Contract No: 09C-your agency number (i.e. 1111)
- (1) Name of Worker + ID Number (no address – no telephone number – no demographical information – no full social security number – last four digits may be used). If it is the owner/operator enter Owner instead of ID Number.
  - If Owner/Operator then only enter information at Column (3) Work Classification; (4) Hours worked per day at each work classification; and (5) Total Hours worked during the week.
- (2) Exemptions
- (3) Weatherization Work Classifications – Weatherization Worker; Doors & Windows Replacement Worker; HVAC; Carpenter; Electrician; and Plumber.
- If, and only if, Weatherization Worker and Doors & Windows Worker have the same prevailing wage, this may be combined.
- (4) Hours worked each day.
- (5) Total hours worked during the week.
- (6) Rate of Pay + Cash in lieu of fringe benefit – may be entered as one denomination or rate of pay + cash in lieu of fringe benefits (i.e. \$15.00 + \$5.00 = \$20.00). Enter \$20.00.
- (7) ARRA gross amount earned / ARRA + non-ARRA total gross earned for the week.
  - Non-ARRA includes LiHeap; Utility company's grants; other government and non-government contracts; etc.
- (8) Mandatory Deductions + Other (Voluntary and Court Ordered) Deductions.
- (9) Total of all deductions.
- (10) Net Wages Paid for the Week either in check form or direct deposit into employee's account.
- **Page 2 is the Statement of Compliance or Certification of Payroll - enter the following information.**
  - Date of Signing
  - Name and title of authorized person signing the payroll which is the same person as identified at Section 6 of the Davis Bacon Wage Plan
  - **(1)** Name of Contractor or Sub-Contractor as entered at top of page 1
  - Building or Work – DOE ARRA Weatherization

- Beginning date of work week and Ending date of work week
  - Contractor or Sub-Contractor as entered at top of page 1
  - In the ensuing blank lines – Identify the **Other Deductions** such as: [Perez - 401K contributions \$150.00; (**Employee Name**) – Child Support \$225.00; (**Employee Name**) – Tools + Cell Phone \$50; etc.]
  - (4)(a) Check the box if fringe benefits are paid into approved plans (medical, dental, vision, vacation, holiday, etc.) on behalf of the employees.
  - (4)(b) Check the box if **NO** fringe benefits are paid on behalf of the employees and instead are paid cash in lieu of fringe benefits as part of the rate of pay
  - (4)(c) Exceptions – For Example, if all employees have fringe benefits paid on their behalf with the exception of employee (**name**), **ID-1008** enter as the exception and an explanation such as cash paid in lieu of fringe benefits in the amount of \$5.00 which is part of rate of pay.
  - Remarks – Such as Payroll Amended for employee (**name**) **ID-1008** to correct underpayment(s) – copy of check attached, etc.
  - Signed by the person identified at Section 6 of the Davis Bacon Wage Plan
2. **Overtime Calculations** – Take rate of pay such as Weatherization Worker for County  $\$21.15 \times 1.5 = \$31.73$ .
- If fringe benefits are paid in cash in lieu of payment into approved plans, then, it is  $\$21.15 \times 1.5 = \$31.73 + \$4.13 = \$35.86$  (**overtime rate**)
  - The cash in lieu component is not subject to the 1.5 multiplier
3. **No ARRA Weatherization work performed during a week** – Statement of Non-Performance to be prepared identifying the week and no work was done in the County and this statement is submitted in lieu of Payroll No. 100. The Statement is to be completed on the letterhead of the Contractor or the Sub-Contractor (if no letterhead then create a Memo identifying the Contractor or the Sub-Contractor) and signed and dated by the person authorized to sign/certify the payrolls as identified at Section 6 of the Davis Bacon Wage Plan.
4. **Revised Payrolls** – When there are occurrences of underpayments, such as wage rate errors or worker classifications, etc.; **payrolls corresponding to the week of the occurrence must be corrected solely for the affected employee(s)**. If checks are issued correcting the underpayment(s) **do not include this amount on the current payroll**. Submit a corrected and revised payroll for the week in which the error occurred. Attach a copy of the check(s) to the revised payroll and include an itemization of the repayment check(s) listing the following: 1) payroll number; 2) For Week Ending; 3) Amount of Underpayment and 4) Total of Underpayments that will equal the amount of the underpayment check to the employee.
5. **DOE ARRA Weatherization to Multi-Unit Buildings over 4 stories** – **Prior to commencing the job**, please contact Liz Fitzgerald, Labor Specialist, at 916-916-576-7206 or at [ERFitzgerald@csd.ca.gov](mailto:ERFitzgerald@csd.ca.gov) to obtain the different work classifications and the corresponding prevailing wage based on the specific measures/scope of work to be completed.

**6. Update Davis Bacon Wage Plan, if applicable –**

- Current Wages and Benefits Chart by Employee Subject to Davis Bacon Wages.
- Section 6 – Individual and/or 3<sup>rd</sup> party authorized certifying/signing agent for the weekly payrolls and the Statement of Non-Performance of DOE ARRA Weatherization.
- Current Statement and Acknowledgment (Standard Form 1413) properly completed and signed by a representative of your agency and by CSD authorized person, Liz Fitzgerald, Labor Specialist.

**7. Employee Rights Poster –** Post in an area accessible and easy to view for all employees the poster issued by the Dept. of Labor (DOL) Davis Bacon Act (DBA) poster (WH-1321) “***Employee Rights under the Davis Bacon Act***”. List **Liz Rios Fitzgerald, Department of Community Services and Development, State of California, Labor Specialist at (916) 576-7206 and [ERFitzgerald@csd.ca.gov](mailto:ERFitzgerald@csd.ca.gov)** as the contracting officer and referral for complaints. Post the applicable DBA minimum prevailing wage determinations for all DOE ARRA Weatherization work classification in an area accessible and easy to view for all employees. This is also applicable to all your sub-contractors.

**8. Prevailing Wage –** Workers must be paid the prevailing wage for each separate work classification performed during each week.

**9. Fringe Benefits –** Fringe benefits, if applicable, are to be paid as an hourly amount paid for all hours worked each week, including overtime hours.

- Fringe benefits include contractor/employer payments for life, health and disability premiums; vacation, holiday, sick and other paid leave; and payments to other bona fide benefit plans.
- In lieu of fringe benefits, contractor/employer must pay employee an hourly rate of pay that equals or exceeds the current County DOL ARRA WAP Davis Bacon prevailing wage determination rate. For example, if the weatherization work is in San Joaquin County, in order to comply with this requirement, you may do the following:
  - San Joaquin County Weatherization Worker wage determination is:
  - \$19.32 [hourly rate] + \$6.82 [fringe benefit] = \$26.14
  - Therefore, the minimum you can pay your employee is \$26.14/hour
  - You can comply with this requirement by paying your employee:
    - \$26.14/hr. + no fringe = \$26.14, **or**
    - \$20.00 + \$ 6.14 = \$26.14, **or**
    - \$15.30 + \$10.84 = \$26.14, **or**
    - \$12.50 + \$13.64 = \$26.14

**10. Payroll Deductions –** Payroll deductions (worker’s share) that include withholding for income taxes both federal and state; FICA (Social Security and Medicare); SDI (State Disability Insurance) will be reported on the payroll. Voluntary and non-voluntary deductions will be reported in the “Other” column. Copies of agreements for voluntary deductions shall be signed and dated by the employee, and must be filed in the employee file. Copies of documents that are court ordered or government imposed involuntary deductions must also be in the employee file.

- Examples of voluntary deductions authorized by the employee **REPORTED IN the “Other” column:**
  - Insurance premiums;
  - Retirement account contributions;
  - Employee savings accounts established at a chartered financial institution (banks and credit unions); and
  - Cell telephones, uniforms, tools, payment for loans.
- Examples of non-voluntary deductions that are court ordered or government imposed collections **REPORTED IN “Other” column:**
  - Debt collections (garnishments);
  - Child support; and
  - Delinquent income taxes owed the Internal Revenue Service (IRS) and/or the Franchised Tax Board (FTB).
- Payroll deductions shall not include donations to the agency which employs them; purchase of raffle tickets; contributions to any event and/or program and/or service sponsored by the agency. Employees may contribute to the agency as a separate transaction after receiving their weekly paycheck.

**11. Original Signatures – Original signatures are required in the submission of the following documents:**

- **All certified payrolls, including amended/revised certified payrolls;**
- **Wage Plans; however if you are providing an update such as: authorized certifier, lists of new employees, revised Davis Bacon wages, or adjusted fringe benefits -- then emailing those updates will be adequate. Please date all submissions; and**
- **Statement and Acknowledgment (Standard Form 1413) forms.**

If there are any issues not covered in this message, please, contact your assigned Davis Bacon Analyst to discuss the matter or contact Davis Bacon Specialist, Liz Rios Fitzgerald at (916) 576-7206 or email her at [ERFitzgerald@csd.ca.gov](mailto:ERFitzgerald@csd.ca.gov).